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ABSTRACT

This document contains four papers from a symposium on integrating learning and performance in human resource development (HRD). "Action Imperatives that Impact Knowledge Performance and Financial Performance in the Learning Organization: An Exploratory Model" (Gary L. Selden, Karen E. Watkins, Thomas Valentine, Victoria J. Marsick) determined how characteristics of learning organizations affect knowledge and financial performance in family-run companies. "The Relationship between Individual and Collective Learning in the Learning Organization: Its Role and Effect in Defining the Profession of HRD" (Sharon J. Confessore, Douglas H. Smith) presents four postulates proposing that learning is a social activity that can be accomplished both individually and collectively. "Human Resource Development's Role in Supporting and Shaping Strategic Organizational Planning" (Richard A. Swanson, Susan A. Lynham, Wendy E.A. Ruona, Joanne M. Provo) is a theory-building effort that examines the relationship between scenario building and strategic planning and HRD's contributions to these components of organizational planning. "Integrating Learning and Performance Domains in HRD Theory" (Elwood F. Holton III) presents a model showing that narrow definitions of performance or learning are flawed and have resulted in an artificial distinction between the two. (KC)

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21 **Integrating Learning and Performance**

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Action Imperatives That Impact Knowledge Performance and Financial Performance in the Learning Organization: An Exploratory Model

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Karen E. Watkins, University of Georgia
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The Relationship Between Individual and Collective Learning in the Learning Organization: Its Role and Effect in Defining the Profession of HRD

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Human Resource Development's Role in Supporting and Shaping Strategic Organizational Planning

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Integrating Learning and Performance Domains in HRD Theory

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ACADEMY OF HUMAN RESOURCE DEVELOPMENT

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Action imperatives that impact knowledge performance and financial performance in the Learning Organization: An exploratory model

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The purpose of this study was to understand the ways in which the characteristics of learning organizations and company characteristics themselves impact knowledge and financial performance in family-run firms. This study provides evidence regarding the impact of the seven dimensions of a learning organization on these two performance outcomes. An exploratory model suggests that knowledge and financial performance can be explained by selected company characteristics and two of the seven dimension of the learning organization.

There are three factors that are forcing all businesses to change. First, according to futurists, we have entered the knowledge era and our economy is the knowledge economy (Marquardt, 1994). A second major factor influencing change in organizations is the increase of global competition (Marquardt, 1994; Senge, 1990; Watkins and Marsick, 1993). Finally, the shift to Total Quality Management (TQM) is a third factor that is influencing the need to adapt to change (McLagan, 1989; Watkins and Marsick, 1993).

The learning organization is one method used to help a business successfully adapt to change. Peter Senge in his popular book The Fifth Discipline (1990) says that "The most successful corporations of the 1990's will be something called a learning organization. The ability to learn faster than your competitors... may be the only sustainable competitive advantage" (p. 4). Learning faster develops knowledge according to Marquardt (1994) who says "The world of business has now entered the knowledge era, where knowledge is power, and learning rapidly and competently is seen as the preeminent strategy for global success (p. 11). Nadler and Nadler (1991) agree when they say that "An organization that wants to be prepared to move with new ideas and trends needs a work force that is ready to learn anything new that comes along (p. 76).

The conceptual framework for this study centers around Watkins and Marsick's (1993) framework for a learning organization. Learning takes place at four interdependent levels in an organization - individual level, team or group level, organizational level, and between the organization and the society it operates within. This learning changes the organization. Transformational learning helps organizations understand and overcome the changes impacting them. This learning can also lead to better knowledge performance and financial performance.

There are six action imperatives, all synergistic, through which the learning organization is designed (Watkins and Marsick, 1993, p. 11). A seventh was added in a later work (Watkins and Marsick, 1996). These are:

- Create continuous learning opportunities
- Promote inquiry and dialogue
- Encourage collaboration and team learning

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- Establish systems to capture and share learning
- Empower people toward a collective vision
- Connect the organization to its environment
- Provide strategic leadership for learning (1996)

If an organization is to become a learning organization, these seven dimensions should be well represented in the culture of the organization. In addition, Watkins and Marsick (1996) developed two outcome scales-one measuring knowledge performance and the other measuring financial performance.

The context of this study is family businesses. Family businesses have the same pressures for change as professionally managed firms. They have the additional pressures of the family system impacting the business system. It is even more important that these family-run firms develop the ability to change. They, too, can benefit from developing as learning organizations. However, there may be characteristics of family businesses that prevent them from becoming learning organizations.

A thorough search of the literature revealed little empirical evidence verifying the relationship between the seven dimensions of the learning organization as defined by Watkins and Marsick (1993,1996) and knowledge performance and financial performance. Additionally, there is little research linking the learning organization and family businesses.

Research questions

The purpose of this study was to understand the ways in which the characteristics of learning organizations and company characteristics themselves impact knowledge performance and financial performance in family-run firms. In order to accomplish this purpose three (3) research questions were proposed:

1. To what extent do Watkin's and Marsick's seven dimensions of the learning organization independently explain observed variances in their two outcome measures, knowledge performance and financial performance?
2. To what extent do select company characteristics independently explain observed variances in two outcome measures, knowledge performance and financial performance?
3. To what extent can these seven dimensions and select company characteristics jointly explain the observed variances in two outcome measures, knowledge performance and financial performance?

Methodology

The research methodology was quantitative survey research. This study used the Dimensions of the Learning Organization Questionnaire (DLOQ). For the scored DLOQ the coefficient alpha's for each of the scales ranged from .68 to .84. Several studies have verified the reliability and validity of this questionnaire (Watkins, Selden, and Marsick, 1997; Watkins, Yang and Marsick, 1997).

The context of this study was family businesses. To be included in the sample, a business had to have significant family involvement. Significant family involvement was determined by a family owning more than 50% of the stock, or, if less than 50% of the stock, then the business had more than one family stock holder or more than one family working in it.

A convenience sample of 2,966 family businesses was sent the DLOQ. Two reminder mailings were sent. The mailings resulted in 142 responses. In addition, 48 sent back a form explaining why they did not want to respond. This resulted in a total of 190 responses. One was unusable for a total of 189 usable responses for a response rate of 6.5%. This response rate is low but somewhat typical of family businesses according to family business researchers at the Family Enterprise Center at Kennesaw State University (J. Astrachan, personal communications, May 1997). In addition, a comparison of critical characteristics of this sample (number of employees,

annual revenue, family stockholders) indicated that this sample is not significantly different from that obtained in two national studies (Nager, R.W., Beaudoin, L., Aronoff, C.E., Ward, J.L., 1995,1997)

Results

All data analysis was done using SAS on the mainframe computer at The University of Georgia. Research question #1 investigate to what extent do Watkin's and Marsick's seven dimensions of the learning organization independently explain observed variances in their two outcome measures, knowledge performance and financial performance. Analysis required examining bivariate relationships between the independent variables, *seven dimensions of the learning organization*, and the dependent variables, *knowledge performance and financial performance*. Simple regression was used on these variables. Additionally, coefficients of determination (r^2) were calculated to aid in the interpretation of the correlations. Tables 1 and 2 contains the results of this analysis.

Table 1: Correlations of the seven dimensions with Knowledge Performance

Independent Variable	Correlations with knowledge performance (r)	p	Coefficient of Determination (r^2)
Continuous Learning	.19	.03	.04
Inquiry and Dialogue	.14	.11	.02
Team Learning	.23	.01	.05
Systems to Capture Learning	.40	.0001	.16
Empower	.33	.0002	.11
Connect to Environment	.30	.0005	.09
Provide Leadership	.27	.002	.07

Table 2: Correlations of the seven dimensions with financial performance

Independent Variable	Correlations with financial performance (r)	p	Coefficient of Determination (r^2)
Continuous Learning	.28	.001	.08
Inquiry and Dialogue	.18	.04	.03
Team Learning	.21	.02	.04
Systems to Capture Learning	.28	.001	.08
Empower	.30	.0007	.09
Connect to Environment	.20	.02	.04
Provide Leadership	.26	.003	.07

Therefore, research question #1 found that all of the seven dimensions of a learning organization correlated positively and significantly ($p<.04$) with financial performance and all but *promoting inquiry and dialogue* ($p=.11$) correlated positively and significantly ($p<.03$) with knowledge performance.

Research question #2, examined to what extent select company characteristics independently explain observed variances in two outcome measures, knowledge performance and financial performance. Again, analysis required examining bivariate relationships between the *company characteristics* and the dependent variables, *knowledge performance and financial performance*. Three company characteristics, *how many family members owned stock, what percent of the business's stock is owned by family members, and how many family members work for the organization*, were continuous variables and simple regression was used to determine correlation. Two variables, *number of employees and annual revenue*, were ordinal and analyzed using Spearman Correlation Coefficients. Again, to aid in interpretation, coefficients of determination (r^2) were calculated. For research question #3, we found no significant relationships between selected company characteristics and knowledge performance or financial performance.

Research question #3 used exploratory model building requiring multiple regression analysis to determine to what extent Watkins and Marsick's seven dimensions and company characteristics jointly explain the observed variance in two performance outcomes, knowledge performance and financial performance. The purpose was to build towards a "best" model that maximized these performance outcomes.

The first step was to take the seven dimensions of a learning organization and put them into a single, simultaneous, multiple regression. The SAS procedure PROC REG , "a general-purpose procedure" for ordinary least square regression, was used with the maximum r^2 option which is designed to find the best one variable model, the best two variable model, the best three variable model, etc.

This analysis resulted in one variable models for both knowledge performance and financial performance. These two separate models would be the cores of our final model. The first model showed that *systems to capture learning* ($r=.40, p=.0001$) was positively and significantly correlated with *knowledge performance*. A second model showed that *continuous learning* positively and significantly correlated with financial performance ($r=.28, p=.001$). Introducing a second variable to either of these models lowered the significance and did not appreciably increase the R^2 value. At this point we have two separate models:

Systems to capture learning (+) ⟶ Knowledge Performance
Continuous Learning (+) ⟶ Financial Performance

The next step was to introduce the background variables, company characteristics, into the model building as we built towards one model. Again, PROC REG was used to find the best one variable model, the best two variable model, the best three variable model, etc. that covaried with *systems to capture learning* and correlated with *continuous learning*, the two variables of significance from step #1. This analysis resulted in separate two variable models for both systems to capture learning and individual learning (see Tables 3 and 4). The first model indicates that *annual revenue* has a significant positive correlation with *systems to capture learning* when correlated with *family stockholders* which had a significant negative correlation with *systems to capture learning*. In our second model, *the number of employees* had a significant positive correlation with *continuous learning* when taken with *family stock* which had a significant negative correlation.

The two variable models look like this:

Table 3: Results of least square regression simultaneously introducing the background variables and the dependent variable *systems to capture learning*

Independent Variable	DF	F	p	R^2
Family who own stock and Annual Revenue	2	5.86	.0037	.08

Table 4: Results of least square regression simultaneously introducing the background variables and the dependent variable *continuous learning*

Independent Variable	DF	F	p	R^2
Family who own stock and Number of Employees	2	6.06	.003	.08

We next attempted to blend these two models into one ultimate model. We looked at the two dependent variables, knowledge and financial performance, and tried to determine in which sequence they would come. Logically, we determined that based on our theoretical model, knowledge performance leads the financial performance. We then re-ran the analysis PROC REG with knowledge performance as an independent variable to arrive at our final model. The following tables summarize the results:

Table 5: Results of least square regression analysis with Dependent Variable: *Financial Performance*

Model $R^2 = .21$

Independent Variable	Beta	p
Knowledge Performance	.37	.01
Continuous Learning	.22	.008

Table 6: Results of least square regression analysis with Dependent Variable: *Systems to capture learning*

Model $R^2 = .08$

Independent Variable	Beta	p
Revenue	.26	.003
Family who own stock	-.17	.05

Table 7: Results of the least square regression analysis with Dependent Variable: *Continuous Learning*

Model $R^2 = .08$

Independent Variable	Beta	p
Number of Employees	.22	.008
Family who own stock	-.20	.02

Table 8: Results of multiple regression analysis (bivariate) with dependent variables

Independent Variable	Dependent Variable	r^2	p
Systems to capture learning	Continuous Learning	.33	.0001
Systems to capture learning	Knowledge Performance	.16	.0001

Putting all of these together produces the following model:

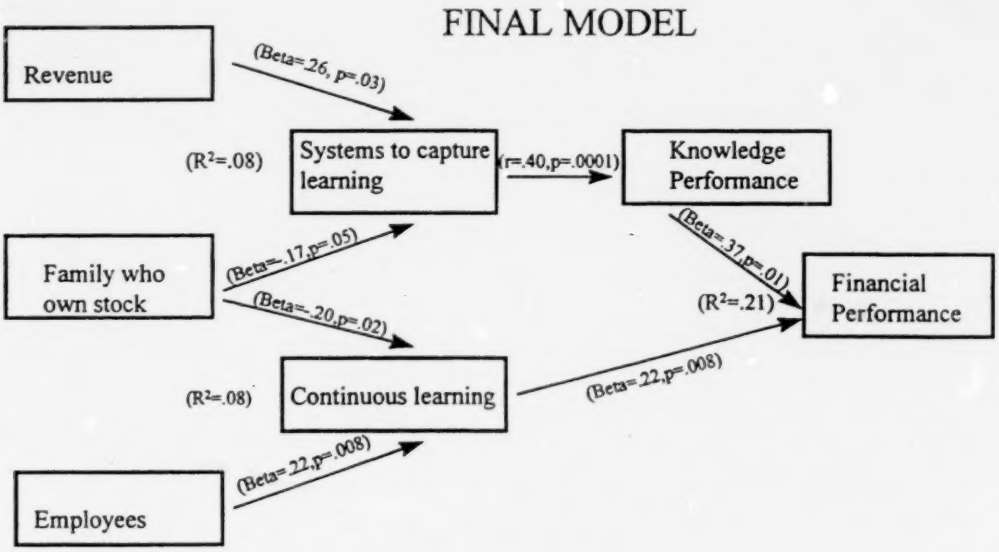

Figure 1

Therefore, figure 1 indicates that research question #3 can be answered as follows. Knowledge performance and financial performance can be explained by selected company characteristics and two of the seven dimensions of the learning organization.

Conclusions

The correlations between the *seven dimensions of the learning organization and knowledge performance* were all positive (see Table 1). All but *inquiry and dialogue* were significant (most at the p=.01 level or better). Having *systems in place to capture learning* was the strongest

relationship representing 16% of the variance in knowledge performance. This is intuitively understandable. Organizations that put resources into capturing what they know will perform better in responding to customers, implementing suggestions, increasing the skills of workers, and spending money on technology and information processing. *Empowering people to a collective vision* (r^2=.11) and *connecting the organization to its external and internal environment* (r^2=.09) also had significant impact on knowledge performance. If employees understand where they are headed and have a good understanding of their collective environments, they will prepare themselves with the skills necessary to perform and they will rush to market new products/services that their customers need.

Interestingly, *promoting inquiry and dialogue* did not correlate significantly *with knowledge performance*. This may be influenced by the context of family businesses. In a closely held, family-run firm, it is possible that inquiry and dialogue are not promoted. Families may keep information close to their vests and not encourage information to be shared (Dyer, 1986). Another interesting finding was the variance represented by *promoting continuous learning*. It had the lowest coefficient of determination (r^2=.04) of all the positively correlated independent variables with knowledge performance. Again, the context may have influenced this statistic. Family businesses may not promote continuous learning with employees other than family.

The correlations between the *seven dimensions of the learning organization and financial performance* were all positive and significant (see Table 2). Again, *empowering people to a collective vision* (r^2=.09) and *systems to capture learning* (r^2=.08) represented the most variance in *financial performance*. This data support the notion that organizations with employees all dedicated to the same supra-ordinate goal working with systems that provide them the information to make good decisions will perform better financially.

The final model represented in figure 1 empirically supports many of the theories of learning organizations. Increased financial performance is one objective of almost all organizations. Our model suggests that 21% of the variance in *financial performance* can be attributed to the joint effect of *knowledge performance* and *promoting continuous learning* (see Table 5). Organizations that implement employee suggestions, introduce new products and services, increase skills of employees and devote, increasingly, more revenue to technology and information processing will increase their return on investment, average productivity of their workers, and gain market share. How should an organization promote knowledge performance and continuous learning? The answer lies in the balance of our model.

Knowledge performance is influenced strongly by investing in *systems to capture learning* (r^2=.16) (see Table 8). Companies that invest in technology and other systems like suggestion systems, bulletin boards, or town hall meetings are able to improve customer satisfaction, implement more positive suggestions, increase the number of new products and services and increase the skill base of their employees. This study found that the size of the company as measured by *annual revenue* had an impact on whether or not an organization *embedded systems to capture learning* when correlated with a characteristic of family businesses, *the number of family members who owned stock*, which had a significant negative correlation. Together, these two variables accounted for 8% of the variance in *systems to capture learning* (see Table 3).

Promoting continuous learning also played a significant role in *financial performance* when correlated with *knowledge performance*. What dimensions of the learning organization impact continuous learning? Our study found that size, as measured by the *number of employees* when correlated with the *number of family members* who own stock, which had a negative correlation, was the best model of *promoting continuous learning*. This makes sense. Training needs increase with the number of employees an organization has. Together, these two variables represented 8% of the variance in continuous learning (see Table 4).

The *number of family members who own stock* had a significant negative correlation with both *systems to capture knowledge* and *promoting continuous learning* when correlated with two measures of size (*revenue and the number of employees*) (see Tables 6 and 7). This may be explained by the fact that as the family business grows larger, more family become involved, not only working in the business, but as owners. The organization spends a great deal of its resources,

financial and human, in managing the family issues that this increased involvement creates. This expenditure of resources takes away from the resources available to develop *systems to capture learning* and programs to *promote continuous learning* within the organization. This study would suggest that this negatively influences these dimensions and ultimately negatively impacts the financial performance of these family-run firms.

Significance to HRD

This study has tremendous significance to HRD practitioners. We are all convinced that what we do has impact on the organizations we serve. This feeling is not often shared with others outside of HRD. This study indicates some evidence that knowledge performance and continuous learning may have a positive bottom line impact. Measuring what we do will be the key to the inclusion of HRD as a business strategy. This study supports its inclusion. Also of importance is this study's contribution to HRD theory, particularly in the development of our empirically derived model of the relationship between company characteristics and the dimensions of a learning organization and performance.

There are several limitations to this study. The present study employed a convenience, non-random sample. Additionally, the response rate was poor. Therefore it is not possible to generalize the findings beyond the sample population. Further studies with large, random samples of family businesses are needed.

A second limitation is that this survey was answered by the chief executive officer of the family businesses in the sample. Often, the view is distorted at the top. Questions on the survey related to how, in general, people behave in their organization. Isolation, which is often the case at the top, may have resulted in bias and inaccurate responses. On the other hand, this limitation may also be a strength of this study since these individuals represent the most knowledgeable respondents in the organization. Finally, it can be argued that the questions used to determine knowledge performance and financial performance may not really measure these variables as effectively as obtaining actual performance data. More concrete measures of these performance variables in further studies may be necessary in order to make decisions about the impact of the independent variables on these variables.

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The Relationship Between Individual and Collective Learning in the Learning Organization: Its Role and Effect in Defining the Profession of HRD

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The aim of this paper is to initiate a discussion in the profession about the role and purpose of HRD in the learning organization. The paper uses the concepts of learning found in the fields of HRD and adult education as lenses for the examination of individual and collective learning. We submit four postulates that we suggest serve as a starting point for this discussion of the profession of HRD.

The process of acquiring knowledge, and enhancing the knowledge base of adult learners, are well-established components of any theoretical conceptualization of adult education. Adult development, critical thinking, holistic and lifelong learning, andragogical and transformative learning are all widely accepted concepts of learning and research in adult education. While the primary focus remains the individual learner, the increasing focus on systemic analysis is aligning adult education closer to human resources development (HRD) than it has been in the past.

Similarly, the process of acquiring skills and of enhancing the knowledge base of employees in an organization is a well-established component of any theoretical conceptualization of HRD. Whether one includes a traditional view of the field, emphasizing mostly training and development, or a more contemporary view emphasizing organizational development, organizational behavior and human performance management, learning is a key component.

As the profession of HRD continues to seek to explicate and understand its role in a constantly changing environment, an understanding of the role that learning, a key component, plays in that process is critical. The purpose of this paper is to provide a starting point for this discussion. We use the learning organization as the frame for the discussion, and provide four postulates as a means to make recommendations for on-going discourse. These postulates are: (1) Collective learning is actualized through individual learning; (2) The primary role of individual learning is the actualization of the learning process; (3) The primary medium through which individual and collective learning is achieved is interaction with other members of the organization; (4) The primary roles of collective learning in a learning organization are the development of the vision, mission and goals for individuals and collectives, and the creation of the appropriate environment to enable learning.

The Links between HRD and Adult Education

There has been much work done on defining the profession of human resource development. Chalofsky (1992) identifies several definitions of HRD, which were devised over the span of 19 years. While each of these definitions is distinct, all include learning as the fundamental component of the profession. He suggests that the definition of learning within the context of HRD has changed in two major ways: (1) there has been a "shift from learning knowledge and skills to increasing learning capacity; and (2) the unit of development has expanded from just individuals to groups and organizations.

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The relationship between adult education and HRD is well established. Distinguished scholars in adult education such as Knowles (1984) have clearly articulated the premises of adult education in the workplace. Nadler (1979), in his conceptualization of the field of HRD, was clear in the role that adult education (i.e. training) played in the development of the human resources. He introduced the framework of training, education and development, suggesting that educational activities could be designed for specific types of situations. All educational activities focused on the individual, and the primary purpose of these events was to provide new information so that, individually, each could improve the organization.

The work on *learning organizations* (*Senge 1990;* Watkins and Marsick 1993) re-conceptualized the relationship between adult education and HRD. Framing educational activities within the *context of the learning* organization broadened the idea of adult education to include acquiring knowledge and turning it into valued information. This made it possible to include such HRD considerations as organizational effectiveness and building learning organizations within the context of adult education. More importantly, this expansion also included facilitating knowledge acquisition across groups and organizations, causing the idea of collective learning to be considered within the context of HRD.

To begin a discussion of individual and collective learning, we propose that an examination of the relationship between adult education (individual learning) and HRD (collective learning), within the context of the learning organization, provides important insights into our conceptualization of the profession . Morgan's (1986) metaphors for organizations provide a base for this discussion. Marsick (1990) used three of these metaphors for organizations to examine paradigms for practice and research in HRD. These metaphors, machine, systems, and cybernetics are presented here as vehicles, each providing a means to investigate the relationship between individual and collective learning, and the role that they play in the learning organization.

The Machine Metaphor. In the machine metaphor the organization exists in an environment of rational decision making. In this organization, information is objective, concrete and constant. To an organization that is viewed as a machine, knowledge acquisition is mechanized and the process established to develop the knowledge is equally mechanistic. This model of adult education assumes that information is to be transmitted from management, who determines the learning needs and ascribes values to the educational activities.

In this framework, adult education is a classroom activity, where trainers assume the responsibility for determining what is to be learned. The role and purpose of adult education is confined to transmitting information. Program design and delivery are very rigid, with emphasis on "training tools. " Evaluation techniques are focused on the ability of the employee to complete a given task at the end of a training session. Traditional adult education considerations, such as the role of prior life experience and the need for adults to direct their own learning, are considered within the context of devising effective training sessions.

The organization's "machine" focuses on one-way delivery of information, done in hierarchical organization situations. It relies on a strong training function, centrally organized, where learning is seen as a collective activity, with content determined by knowledgeable experts. Within this context, education and human resource development are seen as parallel activities. They are both mechanical processes, where individuals participate in a series of activities designed to make the organization become more effective and efficient. Yet, the "learning" process is completely independent of the "development" process. While they may, in some organizations, support each other, this is not a requirement for successful functioning of either unit.

The Systems Metaphor The systems metaphor focuses on the parts of the system, and the relationship within one another, in an organization. Within this framework, each part impacts every other part. According to Marsick (1990), diverse viewpoints, and individual considerations must be accounted for, because they are integral to both the problem and the process.

The role of the HRD professional in this environment becomes one of integrating members of the organization. Because employees are now considered part of the system, transmission of information is only part of the role of HRD. In a systems driven organization, the

relationship between adult education and HRD changes to include, in additional to the training and knowledge transmission activities, mechanisms where individuals utilize systems thinking, develop shared vision, and engage in team and organizational learning. The adult education conceptualization moves from delivering education, to facilitating knowledge dissemination and utilization. Within this context, HRD and adult education are integrated, yet separate functions. The role of the HRD professional becomes one of facilitator, and education is more broadly defined to include creating opportunities for employees to engage in continuous learning and collaborative activities. The constructs of adult education and HRD each contribute equally to help employees engage in continuous learning, and help the organization establish systems to capture learning and disseminate it.

The Hologram Metaphor. The hologram metaphor conceptualizes the organization as a brain. In this view, organizations are seen as centers of intelligence that are able to scan environments and make changes to insure survival of the organization. In a holographic organization "employees [are] encouraged to learn many aspects of the work so that, while each person posses specialized knowledge and skills, his or her overall understanding leads to contributions employers cannot even predict" (Marsick, 1990, p.10).

In this conceptualization of the organization, the goal of learning becomes knowledge creation. Vaill (1996) suggests that individuals are key factors in re-fashioning organizations into holographic entities, as individual knowledge is seen as a basic unit of information. In this framework, knowledge may be categorized as either tacit or explicit (Nonaka and Takeuchi, 1995). The key to creating a fully functioning, creative organization is the capacity of individuals to transform explicit knowledge into tacit knowledge, and vice versa. In a holographic organization, the conceptualization of knowledge shifts from the systems perspective of emphasizing the collective to creating high levels of individual creativity and knowledge through learning at both individual and collective levels.

In the holographic metaphor, the definitions of adult education and HRD become almost indistinguishable. Because learning is seen as an organic process, completely embedded into the organization, HRD/adult education is the means by which information that is held by each individual is clarified, made explicit and added to the organization's capabilities. The HRD/adult education function focuses on determining what each individual knows, helps establish an environment where knowledge can be created or expanded, and helps the organization utilize this knowledge as it interacts with its environment.

Using these metaphors to describe the relationship between HRD and adult education helps explicate the profession of HRD in two ways. First, the role that learning plays within the organization frames the way that HRD is conceptualized. In organizations where learning is perceived as mechanical, the conceptualization, and, subsequently, functions of HRD, is also seen as mechanical. In organizations where learning is seen as more organic, the HRD role is much more integrated, fluid, and integral to the organization.

Second, individual learning, as framed by adult education, and collective learning, as framed by HRD, each have a contribution to make as the profession of HRD is defined, and they are mutually dependent and important to the framing of the definition. As articulated by Watkins (1989) and Chalofsky (1992), defining the HRD profession must include consideration of both defining individual learning as translating information into valued knowledge and the collective aspect of knowledge acquisition. In mechanistic organizations where there is no need for information to be shared, the definition of HRD is necessarily very narrow and does not account for the ability of the organization to "learn." In situations where capturing knowledge for the entire organization is important, the definition of HRD is broadened to include creating and capturing individual and collective learning, and developing mechanisms to insure that knowledge is shared across the organization.

The Four Postulates

This analysis of the role of learning using the metaphors leads to two premises:
first, the key contribution from the field of Adult Education is an understanding of individual

learning, and second, the key contribution from the field of HRD is the capacity to discuss learning in the context of collectives. Within these two fields and their related disciplines, there exists a considerable body of research and knowledge in individual learning and an increasing amount of research in collective learning. But little has been done to define and examine the relationship between individual and collective learning. We believe that analysis of these two categories of learning provides a means to further explicate and understand the profession of HRD.

We submit four fundamental principles or postulates that provide a means for further examination of the construct of HRD, using the relationship between individual and collective learning as the premise for the discussion.

P_1: Collective learning is actualized through individual learning. The greater the opportunity for individual learning in an organization, the greater the likelihood that collective learning will occur, enhancing the development of a learning organization. Within the discussions of learning organizations there is an assumption that individual learning is occurring. Senge (1990) describes the learning organization as one where individuals work together across traditional boundaries to solve problems and create innovative solutions. He goes on to identify five disciplines necessary for a learning organization to exist These include both individual learning (personal mastery) and group learning (team learning). Watkins and Marsick (1993) identify six "action imperatives" necessary for creation of a learning organization. Three of these specifically address learning: creating continuous learning opportunities, promoting inquiry and dialogue, and encouraging collaboration and team learning. As with Senge, Marsick and Watkins address both individual and collective learning.

Nonaka and Takeuchi (1995) describe the integral part that individual information plays in the development of organizational knowledge, framing their discussion around the concepts of tacit and explicit knowledge. They view the translation of explicit and tacit knowledge as key components of a "knowledge creating company." The capacity of the organization to translate information across both the individual and collective is the learning capacity of the organization.

Pedler, Burgoyne and Boydell (1991) are more explicit in their linking of individual and organizational learning. They define a learning company as one that "facilitates the learning of all its members and continually transforms itself" (p1). They identify 10 characteristics of a learning company, several of which focus specifically on learning capacity, including opportunities for self-development (individual learning) and open exchange of information that promotes dialogue (collective learning). Pedler, Burgoyne and Boydell emphasize the individual's role in the learning organization, recognizing that, while an organization may continuously reinvent itself, the individual's capacity to learn is a key component of that capability.

Research in the field of self-directed learning provides substantial support for the role of individual learning and its effect upon the capacity of the organization to learn. The environments reported as necessary for self-directed learning to occur are strikingly similar to those described as learning organizations. These factors include supporting and challenging organizational settings, time for learning, effective communication systems, and collaboration among members of the organization (Baskett et al., 1993; Confessore and Bonner, 1996; Confessore and Confessore, 1993; Foucher and Brezot, 1997). A review of literature from the fields of organizational learning and SDL reveals common characteristics, including support for learning, that are linked to the goals and values of the organization, and provision of opportunities and situations for individual learning. Thus, while individual learning is not specifically addressed in much of the literature on organizational learning, there is clear evidence that individual and organizational learning are necessary for the establishment and continued operation of a learning organization.

P_2: The primary role of individual learning is the actualization of the learning process. Learning is a singular process. Adult learning is defined as the process of individuals gaining knowledge and expertise based on their personal goals (Swanson, et al., 1997). When discussing collective learning (team or group), more accurately it is the learning of the collective, i.e. the symbiotic, hopefully synergistic, relationship of persons sharing their individual understanding. A large amount of the collective learning that takes place in teams is the transfer of information. Characterized by Brooks (1994) as reflective work, it is described as sharing knowledge and

information, and integrating the shared knowledge among the team members. Thus, it can be said that a large part of the "collective" learning process is the act of increasing the knowledge base of each of the members. Conversely, the capacity of the collective to "learn" is dependent on the capacity of the individual to both contribute to the process, and acquire information from it.

Teams, and the individuals involved in them, engage in use of tacit and explicit knowledge. Because tacit knowledge is personal and context specific, it is difficult to articulate, and thus share. Conversely, explicit knowledge, because it is codified, is transmittable. Tennant and Pogson (1995) describe tacit knowledge as being qualitatively different from explicit knowledge. In other words, the knowledge that one is able to share is inherently different from that which one is able to transmit. Thus, while teams are able to share information, and perhaps even "create knowledge" (Nonaka and Takeuchi (1995), this information is distinctly different from what is known by the individual.

The individual controls what is learned. The design, development and delivery of training and education is an external process; the internalization of all education consists of the individual selecting what they perceive they need to complement what they have previously internalized (learned). Knowles (1980) theorizes that learning is an internal process, and those learning experiences which involve the individual in self-directed inquiry will produce the greatest learning.

There are numerous factors that influence what is learned. One such factor is locus of control (Rotter, 1990), when "people attribute the cause or control of events to themselves or to an external environment" (Spector, 1982, p.493). The designation of internal control, where persons ascribe control of events to themselves, and external control, ascribing control to outside forces, governs both what is learned and the impact of the learning.

A related factor is the control of the instructional i.e., who controls the training or educational process that occurs. If this postulate is valid, and further research is needed to assess its validity, the primary controller is the learner. Each individual ultimately determines what will be internalized, what will be learned.

Cervero and Wilson (1994) note much training is focused on what is needed by the organization, with scant attention being given to the needs of the learner. The result is the low ratio between instruction and application. This suggests that, unless the learner is fully engaged and motivated in the activity, and instructional processes are fully activating and challenging, learning will be reduced.

P_3: The primary medium through which individual and collective learning is achieved is interaction with other members of the organization. Evidence of this premise can be found in the literature, in self-directed learning , in continuing professional education, and in communities of practice. Managers who describe their own self-initiated learning activities identify colleagues as important resources for their learning (Kops, 1993). These managers cited individuals within their own organizations as important resources, but they also listed professional colleagues outside of their organizations as important. Thus, the ability to learn on an individual basis was determined, in large part, by the ability to interact with colleagues, share knowledge and clarify meaning.

Nowlen (1988), in his discussion of professionals' learning, describes a "double helix" of factors which impact the capacity of individuals to learn in their work settings. He identifies two "strands" or factors that impact the capacity of the individual to learn. These two strands, one' s own knowledge and values, and the professional and social environment in which the professional works interact to frame and define the knowledge obtained by the professional. Nowlen asserts that professional knowledge is formed by social interaction, and that all training and learning activities must account for both of these "strands" to be effective.

Brown and Duguid (1991), discussing Orr's work assert that learning occurs though informal discussion and exchange of information among employees. Communities of practice are informal networks and, by definition (Lave and Wenger, 1990), emerge as a natural result of work circumstances and environment, and interaction among members. The learning, which occurs within the communities, can be so specific that it is "situated." That is, if an individual moves to a different organization, this individual knowledge will be changed or lost because, in its present

form, it will be meaningless. The knowledge held by each individual is framed, expanded and given meaning by the interaction of all individuals within the community of practice. Learning is truly a social process.

P$_2$: The primary roles of the learning organization in the individual and collective learning processes are: (1) the development, through shared decision making, of the vision, mission and related goals for individual and collective learning; and (2) the creation of the appropriate environment to encourage, support, and enable individual and collective learning. There is much discussion in the literature regarding whether organizations can learn. Watkins (1996) begins her discussion on learning organizations by asking the question "Do we anthropomorphize organizations when we try to say they learn?" (p. 89). She goes on to assert that organizations do, indeed learn, and defines organizational learning as the ability of the organization to retain, crystallize or embed new practices, values or understandings" (p.90). Other organizational experts, most notably Argyris and Schon (1978), Fiol and Lyles (1985), and Shivastava (1983) all assert that organizations can, and indeed do, "learn."

Organizational learning is distinctly different from individual learning. A key concept in organizational learning is that there is a body of corporate knowledge that is the essence of the organization: its norms, values and culture. Individual learning is an essential ingredient for organizational learning, yet each type is distinct, and organizational learning is more than just the collective information held by individual members. Regardless of the frame used to describe organizational learning, all include some dimension of transforming individual knowledge into knowledge that is collectively shared, interpreted and used throughout the organizational entity.

When conceptualized only within the framework of individual learning, organizations do not learn. They cannot learn. The learning process resides within the individual learner. In order for an organization to "learn" individuals must agree to share their knowledge with the collective. First, they must agree to come together for a specific purpose. The capacity to share information is related to the clarity of that purpose, and will be determined by the clarity of the vision, mission, and goals (VMG) of the organization. The clearer the VMG, as perceived by the members of the organization, the greater the likelihood of their being achieved. Further, the stronger the relationship between organizational and individual VMG, the greater the impact of the learning process.

People will be more motivated in an organization if they perceive their individual needs being fulfilled through their work (Herzberg, 1987). This should not be perceived as the organization identifying the needs of the organization. A key word in this context is alignment. Ideally, organizations will clearly develop their VMG, spend an equal amount of time working with managers, team leaders and teams to clarify the needs, desires, drives and motivations of the workers and align both as fully as possible.

A related primary activity of organizations is to enhance the capacity of individuals to learn. Knowles (1980) stressed the importance that environment plays in learning. Leading organizations, in a variety of industries, have developed learning environments that encourage self-directed and team learning, tolerate mistakes, acknowledge and award accomplishments, champion learning and empower employees (Handy, 1995; Watkins, 1996). Organizations may not be able to "learn" in the individual sense of the word. Yet, their ability to embed individual knowledge into their culture, and thus into their capacity, is dependent on providing a clear, humane direction and an environment where individual learning can thrive.

It is generally agreed that there can be no "group" learning without individual understanding. The nature of individual learning is distinct from both team and organizational learning in that there is a body of knowledge possessed by individual that is not possible to share. Collective learning, whose purpose is largely to transmit information, is distinctive in that, while it is possible to devise a common understanding it does not represent the entire knowledge base of each individual, and will be altered when membership in the collective changes. In a learning organization, there is a symbiotic relationship between individual and collective learning. Mechanisms are in place to support individual learning, which, in turn, enhances the knowledge of the collective. Similarly, the collective knowledge, and the knowledge dissemination mechanisms that are available affect the individual learning that occurs.

Conclusion

This paper has used the concepts of learning found in HRD and adult education as lenses to examine the relationship between individual and collective learning. Using the Morgan's metaphors for organizations, and the learning organization as a context, we sought to provide a beginning point of discussion for the role and tasks of HRD in new organizational structures. Four postulates were presented to explicate the relationship between individual and collective learning. Taken together, these statements propose that learning is a social activity, and can be accomplished both individually and collectively. Each type of learning is distinct, yet highly interdependent.

Analyzing individual and collective learning makes it possible to better define HRD's role. It also presents new challenges to practitioners and theoreticians. Current conceptualizations of HRD describe the need for practitioners to be knowledgeable and proficient in understanding learning at the collective level, yet our understanding of the types of learning is framed largely from the adult education, hence individual perspective. Distinguishing among these types of learning, and clarifying their interrelationships expands the conceptualization of HRD. More importantly, it challenges the field to investigate the theoretical and practical implications of these distinctions.

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Human Resource Development's Role in Supporting and Shaping Strategic Organizational Planning

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The role of human resource development (HRD) in strategic organizational planning is ill-defined, at best. This treatise offers a preliminary model for thinking about the theory and practice of strategic human resource development. Central to the hypothesized strategic contributions of HRD are the three strategic roles of HRD identified by Torraco and Swanson (1995) and the inclusion of scenario building as presented by Miller, Lynham, Provo, and St. Claire (1997) along with traditional strategic planning into the larger framework of strategic organizational planning.

Torraco's and Swanson's (1996) recent article discusses the theoretical issues surrounding the role of HRD in strategic organizational planning. They note two factors that have influenced the evolution of HRD toward a more active role as a key determinant of business strategy: the centrality of information technology to business success and the sustainable competitive advantage offered by workforce expertise.

These factors work together in such a way that the competitive advantages they offer are nearly impossible to achieve without developing and maintaining a highly competent workforce. They go on to build the case for HRD that is truly of strategic value to an organization is (1) performance-based; (2) demonstrates its strategic capability, and (3) is responsive to the emergent nature of strategy.

Parallel to the concept of traditional strategic planning is the idea of scenario building. Schwartz (1996) defines a scenario as "A tool for ordering one's perceptions about the future environments in which decisions might be played out" p. 4). This tool is most often in the form of a story or plot lines which allows the organization members to fully explore a rich story of possible future events. These scenarios are stories describing the current and future states of the business environment and they become 'stories' about alternative possible futures (van der Heijden, 1996).

"Scenarios deal with two worlds: the world of facts and the world of perceptions. They explore for facts but they aim at perceptions inside the heads of decision makers. Their purpose is to gather and transform information of strategic significance into fresh perceptions" (Wack, 1985a, p. 140). Used in this way scenario planning presents "... an efficient approach to strategic business planning, focusing on business ideas in an uncertain world" (van der Heijden, 1996, p. 2). The problem is one of not knowing the fit between strategic panning and scenario building along with the role of HRD in shaping and supporting strategic organizational planning.

Inquiry Questions

The questions for this initial theory building effort are as follows:

1. What is the relationship between scenario building and strategic planning?
2. What shaping and supporting contributions can HRD make to the scenario building and strategic planning components of strategic organizational planning?
3. What is the strategic organizational planning research agenda facing the HRD profession?

Strategic Roles of HRD

HRD is defined as a process for developing and/or unleashing human expertise for the purpose of improving performance at the organizational, work process, or individual contributor levels (Swanson, 1996). Furthermore, three strategic roles for HRD have been put forward by Torraco and Swanson (1995). These three HRD strategic roles are used as the springboard of this inquiry are described as follows:

Performance-Based HRD HRD has a history of serving a wide range of organizational demands interests from the personal development needs of individuals organizational transformations to involving

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everyone in the organization. When HRD addresses the personal interests of employees, it is most likely not being strategic. For HRD to offer real strategic value to the organization, it must contribute directly to important business goals and must be based on key business performance requirements (Swanson, 1996).

Demonstrating the Strategic Capability of HRD To fully demonstrate the strategic importance of HRD, it must be more than performance-based. HRD will only be perceived as having strategic value if it also demonstrates genuine *strategic capability.* As HRD demonstrates *strategic capability,* it earns respect and credibility as a full partner in forging the organization's future direction.

Strategic capability challenges HRD to contribute beyond interventions that support a given strategic initiative. *Strategic capability* is based on a HRD philosophy that reflects the value of human resources in the pursuit of long-range business goals and the conviction that people are the only organizational resource that can shape and recreate the ways in which all other business resources are used. HRD demonstrates its *strategic capability* to the organization's business planning process by: (a) providing education and learning in the concepts and methods of strategic organizational planning to those responsible for setting the strategic direction for the organization; and (b) having HRD professionals directly participate in the strategic organizational planning process. Together these two features dramatically emphasize HRD's value to the business planning process and distinguish HRD as having *strategic capability.*

Emergent Strategy and HRD HRD traditionally has served a role supportive to strategy. HRD that primarily serves to support the execution of a given strategy fills an adjunctive role to strategy that is clearly more *deliberate* than *emergent.* Thus, a majority of the HRD effort purporting to be strategic provides the workforce with important expertise after the formulation and adoption of strategy by others. HRD cannot add value to the shaping of strategy if the strategy is already fully formulated.

If strategy is treated as both a deliberate and emergent phenomenon the benefits of developing and using employee expertise to capitalize on evolving business opportunities can then be realized. The potential for HRD's strategic leverage must exist by treating strategic planning as an emergent process. Further prescriptions for advancing the strategic contributions of HRD are of little value if strategy is fully formulated and adopted without the performance perspectives that HRD offers.

Scenario Building and Strategic Planning

Miller, Lynham, Provo, and St. Claire (1997) have provided a useful overview of scenario building for the HRD profession. The following summary mirrors their analysis of the scenario building component of strategic organizational planning along with the traditional strategic planning component.

As more organizations face continuous change as the order of the day, organizational professionals have developed expertise and tools to operate successfully in such an environment. The traditional tools of strategic planning, which are commonly extrapolations of the past to determine the future, are not effective when future forces do not mirror past forces (Mintzberg, 1994). In an environment of constant change and challenge, non-traditional tools for anticipating and planning for change are needed. One such tool is scenario building.

A scenario is "a tool for ordering one's perceptions about alternative future environments in which decisions might be played out" (Schwartz, 1996, p. 4). The process of scenario planning generally involves development of several plots and supporting narratives that illustrate primary forces driving change within a system, their interrelationships, and uncertainties in the environment (Wack, 1985a). Scenarios help decision makers structure and think about uncertainty, test their assumptions about how critical driving forces will interact, and reorganize their mental model of reality (Wack, 1985b).

Scenario development is described as an art rather than a science (Schwartz, 1996). By providing safe and often engaging opportunities to explore the implications of uncertainty and to think through ways of responding to it, scenarios enable planners to deal more confidently in the midst of uncertainty (Schwartz, 1996; van der Heijden, 1995).

Van der Heijden (1996) characterizes the individual and organizational learning process of scenario building: by organizing complex information on future trends and possibilities into a series of plausible stories, scenarios are seen as interpretive tools which create meaning and thereby guide action. The use of multiple plausible futures helps decision makers think more expansively about change and to adopt multiple perspectives for the purpose of understanding future events. In the end, scenarios offer entrepreneurial and protective benefits to organizations (Wack, 1985a).

The Centre for Innovative Leadership (van der Merwe, 1997) describes the scenario development process as follows:

1. Identification of a strategic organizational agenda, including assumptions and concerns about current strategic thinking and vision.
2. Challenging of existing assumptions of organizational decision makers by questioning current mental models about the external environment.
3. Systematically examining the organization's external environment to improve understanding of the structure of the key forces driving change.
4. Synthesis of information about possible future events into three or four alternative plots or story lines about possible futures.
5. Development of narratives around the story lines to make the stories relevant and compelling to decision makers.
6. Use of the stories to help decision makers "re-view" their strategic thinking.

Traditional *strategic planning* talks of the business planning and systems thinking required of those responsible for setting the strategic direction for the organization (Mintzberg, 1994). Presumably, those who participate in strategic planning possess the business acumen and understanding needed for meaningful contributions to long-term planning. However, strategic planning by itself requires a sophisticated array of conceptual, analytical, and interpersonal skills. Business planning involves strategic decisions that are frequently group decisions. Planners, therefore, need skills in problem definition, facilitating analysis by the group, resolving communication breakdowns, reaching consensus, and building commitment. Skills associated with strategic planning include environmental scanning, analyses of industries and competition, organizational analysis ("SWOTs"), competitive benchmarking, using systems frameworks to identify inconsistencies and threats to business development, and clarifying and articulating a unified organizational mission.

Together, *scenario building* and *strategic planning* are proposed as a holistic view of strategic organizational planning (SOP). Figure 1 graphically illustrates the SOP components and their relationships. The SOP "double funnel" graphically contrasts the roles and relationships between scenario building and strategic planning in the SOP process. Scenario building flares out the thinking in its expansiveness and strategic planning reins in the thinking into an action plan. All the while, both SOP phases are operating in the complex environment and SOP is viewed as a continuing process. HRD engages in supporting and shaping the process.

Figure 1: **STRATEGIC ORGANIZATIONAL PLANNING (SOP)**

Contributions of HRD to Strategic Organizational Planning

What, then, are the potential contributions of HRD to strategic organizational planning (SOP)? In order to explore this question a matrix of the three HRD strategic roles in context of the two SOP components, scenario building and strategic planning, is proposed in Figure 2. It is important to highlight the definitions of scenario building as an expansive process and strategic planning as a reductionist process as being crucial to the exploration of the interpretation of HRD contributions to SOP.

Table 1. **HUMAN RESOURCE DEVELOPMENT'S CONTRIBUTION IN SUPPORTING AND SHAPING STRATEGIC ORGANIZATIONAL PLANNING (SOP)**

	STRATEGIC ORGANIZATIONAL PLANNING:	
HRD STRATEGIC ROLES:	***A: SCENARIO BUILDING*** *Defined:* SB is a process for ordering perceptions about the future environments in which decisions might be played out (Schwartz, 1991, p. 4).	***B: STRATEGIC PLANNING*** *Defined:* SP is a process for developing a comprehensive statement of the organization's mission, objectives, and strategy
1. PERFORMANCE-BASED *Defined:* HRD must contribute directly to important business goals and must be based on key business performance requirements (Torraco & Swanson, 1995, p. 17).	*Contribution:* • HRD provides critical judgements as to the organization's probability of being able to develop and/or unleash the human expertise required of the various BSs being proposed and what each would require.	*Contribution:* • HRD provides a road map for developing and/or unleashing the human expertise required to achieve the strategic plan and commitment to execute related SP action plans.
2. STRATEGIC CAPABILITY *Defined:* To demonstrate genuinely strategic capability HRD (a) provides SOP education and learning, and (b) actively participates in the SOP process (Torraco & Swanson, 1995).	*Contribution:* • HRD oversees the SB education and learning required of personnel for building "shared, integrated mental models of multiple plausible futures" (Lynham, Provo & Ruona, 1998, p. 6). • HRD experts serve as contributors of key human resource information and value all information being considered during the SB process.	*Contribution:* • HRD oversees the SP education and learning required of personnel for planning strategy, including the analysis and synthesis of internal and external conditions. • HRD experts participate on the SP team and act as a catalyst to create new business based on the strategic development and/or unleashing of human expertise. (see Mintzberg, 1994).
3. EMERGENT STRATEGY *Defined:* HRD assumes a deliberate role in the emergent nature of SOP (Torraco & Swanson, 1995).	*Contribution:* • HRD creates and maintains "an institutional learning and memory system...and helps an organization avoid repeating mistakes" (Van der Heijden, 1996, p. 2.) within the realm of core expertise and new learning requirements. • HRD assumes itself critical to the ongoing strategic SB conversations of the organization. SB makes "discussing strategy a natural part of any [HRD] management task and not the exclusive domain of specialist" (Van der Heijden, 1996, p. 22)	*Contribution:* • HRD creates and maintains a system for ongoing learning (in the forms of internalization, comprehension, and synthesis) from its own SP effort . • HRD assumes itself critical in the catalytic information-sharing, strategic partnering, and strategy finding SP challenge facing its host organization. (see Mintzberg, 1994).

The Strategic Organizational Planning Research Agenda facing the HRD Profession

The following research agenda is based on the contribution cells of the supporting and shaping of strategic organization planning matrix (Figure 2). The three strategic roles of HRD are used as the major organizers of the proposed research agenda.

Performance-Based

1. From a *strategic planning* perspective, the profession needs to learn why HRD is not able to consistently provide a road map for developing and/or unleashing the human expertise required of an organization to achieve its strategic plan and is not able to consistently fulfilling its commitment to execute its related SP action plans.
2. From a *scenario building* perspective, the HRD profession needs to cull out valid tools for making critical judgments as to an organization's probability of being able to develop and/or unleash the human expertise required of the various BSs.

Strategic Capability

3. From a *strategic planning* perspective, the HRD profession needs to develop and validate a core strategy for overseeing the SP education and learning required of personnel for planning strategy (including the analysis and synthesis of internal and external conditions).
4. From a *strategic planning* perspective, the HRD profession needs to develop and validate a process (grounded in performance-based strategic contributions) for legitimizing their role as experts on the SP team in creating new business based on the strategic development and/or unleashing of human expertise.
5. From a *scenario building* perspective, the HRD profession needs to develop and validate a core strategy for overseeing the SB education and learning required of personnel for building shared, integrated mental models of multiple plausible futures.
6. From a *scenario building* perspective, the HRD profession needs to develop and validate a process (grounded in performance-based strategic contributions) for legitimizing their role as experts on the SB team in contributing of key human resource information and value all information being considered during SB.

Emergent Strategy

7. From a *strategic planning* perspective, the HRD profession needs to develop and validate a system for creating and maintaining ongoing learning and systems thinking (in the forms of internalization, comprehension, and synthesis) from its own SP effort.
8. From a *strategic planning* perspective the HRD profession needs to develop and validate a SP process of information-sharing, strategic partnering, and strategy finding critical to its host organization.
9. From a *scenario building* perspective, the HRD profession needs to develop and validate an institutional learning and memory system that helps an organization avoid repeating mistakes within the realm of core expertise and new learning requirements.
10. From a *scenario building* perspective, the HRD profession needs to develop and validate a process of engaging in ongoing strategic conversations of the organization from the HRD perspective.

Results and Conclusions

HRD has been traditionally relied upon to serve in roles that are supportive of the strategies chosen to guide organizations. Although the supporting role of HRD is important for operational success in assuring the employee competence to meet present performance demands, HRD offers even greater strategic value as a major force in the shaping of business strategy. The strategic attributes of HRD include: (a) performance-based; (b) demonstration of strategic capability; and (c) responsiveness to the emergent nature of strategy.

The findings in this paper concludes that scenario building and strategic planning are integral to a complete model of strategic organizational planning. Furthermore, this holistic view also provides a means of advancing the three strategic goals of HRD and their specific contributions to scenario building and strategic planning and the supporting research agenda.

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Integrating Learning and Performance Domains in HRD Theory

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This article suggests that the "learning versus performance" debate is largely the result of inadequately defined models and constructs. A new performance model was developed that shows how learning and performance should be conceptually integrated. The model clearly shows that over-reliance on narrow definitions of performance or learning are equally flawed and have resulted in an artificial distinction between learning and performance in HRD theory.

Performance is a multi-dimensional and poorly defined construct. For example, people say that individuals perform, departments perform, organizations perform, groups perform, animals perform, and machines perform. So what is meant when people say "performance" and "performance improvement"? More importantly, what should the human resource development professionals mean when they talk about these constructs? The purpose of this paper is to address this core issue.

The lack of clarity about performance, and particularly performance domains, has created a "learning versus performance" divide within HRD (Swanson, R., 1995; Watkins & Marsick, 1995). It is unfortunate that performance has developed such a threatening connotation. Performance scholars have to accept some blame as they have allowed performance to be perceived narrowly as actual outcomes, particularly economic outcomes, often resulting in abusive, short-term, uni-dimensional performance improvement efforts such as reengineering, downsizing, and cost-cutting. When viewed in a comprehensive systemic manner, performance is far from abusive or narrowly defined, but rather most closely follows the systemic view of organizations and shows the most promise for building healthy, effective organizations over the long run.

In this article, I suggest that performance, when properly defined and utilized, is the correct organizing framework for HRD. More specifically, this article will:

- evaluate representative models of performance from multiple disciplines
- propose an integrated taxonomy of performance domains
- demonstrate conceptually how learning and performance should be integrated in HRD theory

Disciplinary Perspectives on Performance

HRD is not the only discipline that is interested in performance and performance improvement. To clarify perspectives of performance, a search was conducted for representative performance models in disciplines closely associated with HRD (Holton, in press). These models illustrate the diversity of performance perspectives and point to key considerations in designing an integrated performance taxonomy:

Performance is a multi-disciplinary phenomenon. Many different disciplines study

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performance. My search revealed performance models in a wide range of disciplines including psychology, human resource management, ethics, quality, sociology, economics, strategic management, and industrial engineering.

The relationship between performance and learning is poorly defined. While human resource developers know that learning and development efforts can lead to performance improvement, performance models do not clearly embrace developmental interventions. This has led to often dichotomized positions that can be termed the "performance versus learning debate as a matter of convenience" (see Swanson, R. A., 1995 and Watkins & Marsick, 1995).

Performance models have a disciplinary bias. Each discipline has defined performance to fit its unique needs. For example, psychology, which focuses on individuals, has defined performance through the individual lens (Campbell, 1990). The quality movement, which focuses on improving organizational processes, sees performance through a process lens (Juran, 1992). Strategic management, which focuses on positioning the organization competitively, sees performance through the organization and industry lens (Porter, 1980). While there is nothing inherently wrong with a disciplinary bias, it does indicate a need for caution when viewing performance models from other disciplines.

There is no such thing as a single view of performance. Each discipline or perspective has defined performance in a way that fits its purpose. The search for a single model of performance may be a futile search, or at least likely to result in a model so complex as to be unusable. Each discipline has had to limit its performance models to focus on aspects of performance appropriate for that discipline. The lesson is that HRD must define performance in a manner that fits its unique role in performance improvement and that acknowledges the legitimate role of other disciplines. It is not essential that HRD's model define every possible view of performance.

Levels of performance and indicators of performance are confused in some models. One persistent source of confusion in the literature is between levels of performance, and indicators or metrics of performance. For example, several models include customer as a level of performance (Edvinsson & Malone, 1997; Juran, 1992; Kaplan & Norton, 1996). Clearly customer satisfaction is important, but it is an indicator of process and organizational performance, not a level of performance. Similarly, several models define some aspect of employee behavior such as learning (Edvinsson & Malone, 1997; Kaplan & Norton, 1996), demonstrating effort (Campbell, 1990), or individual ethics (Swanson, D.L., 1995) as a level of performance. All are really indicators of individual performance and are defined as levels due to disciplinary biases.

Sub-systems in the models vary widely. Part of the disciplinary bias is reflected in the sub-systems included in the models. Organization development (Cummings & Worley, 1993) defines groups as their sub-system, because OD focuses on interpersonal dimensions of an organization. Needs assessment (McGehee & Thayer, 1961; Sleezer, 1991) defines work or task as their sub-system because of its analytical focus. Others (Rummler & Brache, 1995; Swanson, 1994) include process as their sub-system reflecting current emphasis on process improvement. In the case of human capital or strategic management, the organization becomes the sub-system, with society as the larger system. Thus, there seems to be little clarity either within or outside HRD.

Need for an Integrated Model of Performance Domains

The issues outlined above point to the need for an integrated taxonomy of performance domains for HRD. It is difficult to construct a performance improvement research agenda when there is no clarity about how to integrate the various ideas about performance domains and metrics. At the 1997 Academy of Human Resource Development Annual Conference, a pre-conference session on Performance identified the following criteria for an integrated taxonomy:

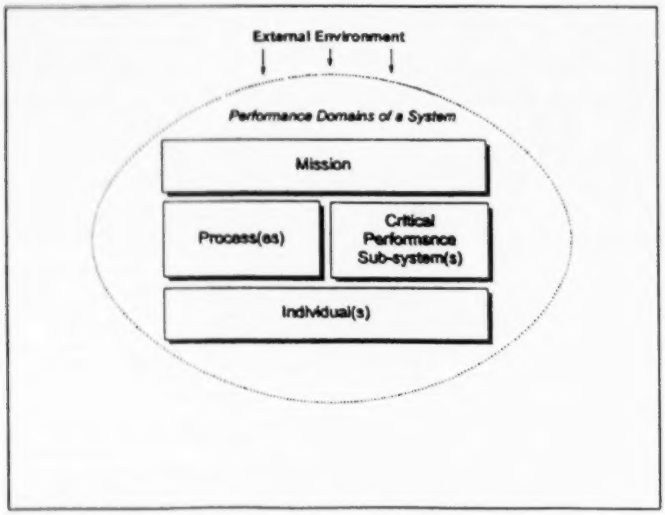
- *Parsimonious* - It is easy to develop a huge taxonomy of performance domains when one considers all the possible performance levels and situations. The challenge is to develop a parsimonious taxonomy that is broad without being unwieldy.
- *Situationally adaptable* - It was clear that performance is defined quite differently in different organizations, situations, and cultures. What is needed is a taxonomy that is flexible and adaptable to different performance systems, rather than searching for one definition of performance.
- *Embraces multiple organization types* - Performance is not just a private sector; every organization and individual performs. Governments perform, non-profit organizations perform, and communities perform. A performance taxonomy must embrace these entities, as well as for-profit organizations.
- *Embrace multiple measures of performance* - As noted above, there is considerable confusion between levels of performance and metrics of performance. A useful taxonomy must address this by embracing multiple measures of performance.
- *Embraces learning and development as part of performance* – Performance and learning are not opposing forces in organizations, but rather should be complementary when properly defined.

In addition, I argue that a performance taxonomy must be applicable to every performance system. That is, laundry lists of possible performance levels that may or may not apply to a given system do little to guide research or practice. Thus, it is not acceptable to include societal performance in a performance taxonomy as a possible level of performance because some systems do not define their mission in those terms.

An Integrated Taxonomy of Performance Domains

Figure 1 presents an integrated taxonomy of performance system domains. Four domains of performance are proposed: mission, process, critical performance sub-system, and individual.

Figure 1



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Mission Domain The system's mission, and the goals derived from it, specify the expected outcomes of that system. Every purposefully organized system operates with a mission, either explicitly or implicitly, and the role of the mission is to reflect the system's relationship with its external environment. For a business organization, the mission may reflect its relationship with its industry, society and competitors. For a non-profit organization, its mission may reflect its relationship with the community and society. It is not necessary to specify in the taxonomy what the possible levels of impact outside the system are, because the mission will reflect that system's understanding of its responsibilities to the external environment.

It is important to note that the concept of "performance system" is used instead of "organization." A mission may be defined for any system organized to accomplish some purpose. If the system has a purpose, then it also has desired outputs, so performance theory is applicable. In many instances, the mission domain will be the same as the organization domain, particularly in for-profit firms. However, for a trade association, the mission domain may focus on an entire industry, or an entire profession for a professional association. In other situations, the mission may include community outcomes, or societal outcomes.

The particular system's definition of its performance relationship with the external environment is fully captured by the mission and goals of the organization. For business organizations, the metrics are likely to be dominated by traditional business outcome measures, including economic outcomes (more on metrics later). However, the mission domain for a government organization may be dominated by metrics assessing societal benefits.

The notion that the performance perspective only embraces economic returns as the system's mission (Bierema, 1997; Dirkx, 1997) is fundamentally flawed. Performance is defined by and depends on the mission of the organization. The purpose of HRD is to improve performance of the system in which it is embedded and which provides the resources to support it (Swanson & Arnold, 1997). All interventions and activities undertaken by HRD must ultimately enhance that system's performance.

Process Domain One of the positive outcomes of the quality and reengineering movements is the realization that managing and designing effective processes is an essential part of performance improvement. A number of performance models have clearly articulated the need for including the process domain of performance (Juran, 1992; Hammer & Champy, 1993; Hronec, 1993; Kaplan & Norton, 1996; Rummler & Brache, 1995; Swanson, 1994). Readers desiring a deeper understanding of the importance of process to performance improvement should consult these sources.

Critical Performance Sub-system This taxonomy includes a domain for critical performance sub-system (CPS). A CPS is defined as an internal sub-system for which performance goals have been set that are derived from, and contribute to, the mission of the overall system. Thus, the core difference between this domain and the mission domain is that the mission domain defines performance outcomes relative to the external environment, while the CPS domain defines internal performance sub-systems that do not always directly connect with the external environment. A CPS is not the same as process, because processes usually cut across multiple performance sub-systems and each sub-system is usually part of many processes.

One of the weaknesses of prominent integrated performance models (Rummler & Brache, 1995; Swanson, 1994) is that they do not appear to embrace productive sub-systems within an organization. While it can be argued that integrated models can be applied to sub-systems and then aggregated to the larger system, I argue that definitional confusion around this issue is one cause of the proliferation of performance models. That is, by appearing to ignore teams, divisions, departments, functions, etc., the integrated performance models appear to neglect organizational realities. In addition, they appear to neglect the interpersonal domain of teams and groups that is so central to many organizations today.

The particular CPS identified for a given system will vary considerably. For a team-

based organization, the CPS may be a team; for a traditional organization, it may be department; for a community, it may be a neighborhood. Conversely, in a traditional organization, team performance may not be relevant if the performance system is built on department structure. Not all sub-systems will be critical to the accomplishment of the performance system's mission, so it may not be important for all sub-system performance be measured.

Individual Domain HRD and human resource professions in general have traditionally focused on the individual domain, reflecting the psychological roots of many in the field. The essence of HRD practice has been the improvement of individual human performance, particularly through expanded expertise, which is believed to result in enhanced organizational performance. While there are differing opinions as to how best to accomplish this, there is broad agreement about the need to focus on individual performance improvement, particularly through optimizing learning and expertise, incentives and consequences, feedback, information, resources, and working conditions required for the individual to function in the system.

Metrics for Performance Domains

The purpose of this article is not to provide a complete taxonomy of performance metrics as has been well done by others (Hronec, 1993, Kaplan & Norton, 1996). However, as noted earlier, some performance models confuse domains of performance with metrics. Thus, it is important to clarify the distinction between performance domains and metrics.

Kaplan and Norton (1996) suggest two categories of performance measures: outcomes and drivers. Unfortunately, they do not offer concise definitions of either. For our purposes, outcomes are measures of effectiveness or efficiency relative to core outputs of the system, sub-system, process or individual. The most typical are financial indicators (profit, ROI, etc.) and productivity measures (units of goods or services produced) and are often generic across companies. According to Kaplan and Norton, these measures tend to be lag indicators in that they reflect what has occurred or has been accomplished in relation to core outcomes.

Drivers measure elements of performance that are expected to sustain or increase system, sub-system, process, or individual ability and capacity to be more effective or efficient in the future. Thus, they are leading indicators of future outcomes and tend to be unique for particular business units. Together with outcome measures, they describe the hypothesized cause and effect relationships in the organization's strategy (Kaplan & Norton, 1996). Thus, drivers should predict future outcomes. For example, for a particular company, return on investment might be the appropriate outcome measure which might be driven by customer loyalty and on-time delivery, which in turn might be driven by employee learning so internal processes are optimized. In a state government department of revenue, an outcome measure might be percent of tax returns processed correctly within two weeks of receipt. A performance driver for that outcome might be number of quality improvement initiatives successfully implemented.

Thus, from this perspective, performance improvement experts who focus solely on actual outcomes, such as profit or units of work produced, are flawed in that they are likely to create short term improvement, but neglect aspects of the organization that will drive future performance outcomes. However, experts who focus solely on performance drivers such as learning or growth are equally flawed in that they fail to consider the actual outcomes. Only when outcomes and drivers are jointly considered will long-term performance change occur.

Table 2 presents some typical performance metrics for each of the four performance domains, classified as performance outcome measures or performance driver measures. It is important to note that some metrics could fall into either the outcome or driver category, depending on the nature of the performance system. Consider the case of "societal benefits." For a profit-oriented corporation, this might well be defined as a performance driver because it affects

the long run opportunity for performance. For a government agency, this might be classified as a core performance outcome. Thus, the classification of a metric is dependent on the context of the specific performance system.

Table 2: Performance Domains and Typical Metrics

Domains of Performance	Typical Metrics for Measuring Performance Domains	
	Performance Outcomes	**Performance Drivers**
Mission	Economic Returns External metrics Market Share Profitability Mortality rate Poverty level	Societal benefits Innovation Knowledge capital Management/leadership Strategy Social responsibility
Process	Customers Quality Cost Time Product Features Market share (in product category)	Customer (needs satisfaction) Quality Innovation
Critical Performance Sub-system (team, dept., etc.)	Team effectiveness Structural sub-units performance Productivity (resource efficiency) Internal metrics Work outputs	Innovation Team/Group climate Management/leadership Ethical Performance
Individual	Productivity Work Output	Knowledge, Expertise Learning Renewal and growth Human Relations Ethical Performance Turnover Absenteeism

HRD as Whole System Improvement

This article has presented an integrated taxonomy of performance domains and metrics. The taxonomy meets the criteria outlined earlier of being parsimonious, situationally adaptable, embracing multiple organizational types, embracing multiple measures of performance, and integrating learning and development with performance. More importantly, the taxonomy points to the unique role that the discipline of HRD plays in organizational science: performance

improvement of the whole system.

In most organizations there is no profession or discipline charged with responsibility for assessing, improving and monitoring performance as a whole system. This void is directly responsible for the proliferation of "quick fixes" and faddish improvement programs, most of which focus on only a single element or a subset of performance variables. Because HRD is grounded in systems theory and the whole systems perspective of organizations, it is the logical discipline to take responsibility for whole system performance improvements. This is not to suggest that HRD should control all factors affecting performance. Rather, HRD should be a gatekeeper for performance improvement, using its expertise to analyze performance problems, identify the best interventions, and evaluate outcomes.

Working across the system does not dismiss or reduce the importance of the individual. To the contrary, the performance perspective further enhances the individual in organizations by dismissing the common practice of trying to change the person before the system is changed, and by working to create healthy and effective organizational systems.

The "learning versus performance" debate centers on the importance of performance drivers versus outcomes. For example, adult educators view individual learning and development (a performance driver), as being the driver of all other domains and are critical of emphasis placed on outcomes. (Dirkx, 1997). Learning organization advocates place heavy emphasis on learning and development, and embrace multiple domains, but do not define expected performance outcomes. Because many HRD practitioners have developmental values and roots, the notion of performance outcomes and accountability for developmental processes is viewed with disdain and avoided.

The key point is this: these perspectives are both correct--and wrong at the same time. They are correct in that strategy, team interventions, quality, learning organization etc. may improve performance. They are wrong in that they will improve performance if and only if that aspect of the system is the one in need of intervention. Said differently, if the whole system is not considered, a good solution may be applied to the wrong problem. The classic case in our discipline is the pervasive practice of trying to fix system problems with individual learning. These views (and others) violate the fundamental principles of systems theory, which tell us that no one element of the system can be viewed separately from other elements

The research challenge around this issue is simple and huge: demonstrating that the performance framework unifies HRD, not divides it. The energy should not be in debates about learning OR performance and people VERSUS performance. Rather, the energy should be devoted to learning AND performance to integrate them in a comprehensive performance framework. If HRD is to be viewed in a strategic role, adding real value to accomplishing the mission of organizations and systems, it must embrace a performance perspective with learning and development as core drivers.

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